

FORM 1
INDIVIDUAL ESTATE PROPERTY RECORD AND REPORT
ASSET CASES

Case Number: 19-33545 SGJ
Case Name: Hoactzin Partners LP

Period Ending: 09/30/22

Trustee: Anne Elizabeth Burns
Filed (f) or Converted (c): 02/12/20 (c)
§341(a) Meeting Date: 03/11/20
Claims Bar Date: 08/10/20

| Ref # | 1 Asset Description (Scheduled And Unscheduled (u) Property) | 2 Petition/ Unscheduled Values | 3 Estimated Net Value (Value Determined By Trustee, Less Liens, Exemptions, and Other Costs) | 4 Property Abandoned OA=§554(a) Abandon | 5 Sale/Funds Received by the Estate | 6 Asset Fully Administered (FA)/ Gross Value of Remaining Assets |
|--|---|---|--|--|--|--|
| 1 | Veritex Community Bank Checking account **Listed as \$4,404.16 on Rule 1019 Report DN 92. | 2,070.07 | 4,404.16 | | 4,404.16 | FA |
| 2 | Williams Transco **Listed with value as "none" on Rule 1019 Report DN 92. | 2,500.00 | 0.00 | | 0.00 | FA |
| 3 | Accounts receivable | 44,478.76 | 1.00 | | 0.00 | 1.00 |
| 4 | Accounts receivable | 1,233,986.48 | 1.00 | | 0.00 | 1.00 |
| 5 | Oil and Gas Interest **Listed as \$2,000 on Rule 1019 Report DN 92. | 0.00 | 1.00 | | 11,500.00 | FA |
| 6 | Claims against Fieldwood Energy LLC for breach of contract, declaratory judgment, and legal fees | 0.00 | 0.00 | | 0.00 | FA |
| 7 | Claims against Omimex Petroleum, Inc. for breach of contract, declaratory judgment, and legal fees | 0.00 | 1.00 | | 0.00 | 1.00 |
| 8 | JPMorganChase in Escrow for P&A only **Listed as \$492,598.74 on Rule 1019 Report DN 92. Trustee working with escrow agent to have funds turned over. Funds are currently earning interest, final amount to be determined at moment funds are disbursed to the estate. | 492,315.94 | 493,367.84 | | 493,367.64 | FA |
| 9 | BNY Mellon Capital Markets as cash collateral of Lexon in account held by Dolphin Direct Equity Partners, L.P. | 2,443,425.89 | 0.00 | | 0.00 | FA |
| 10 | Mediation Funds (u) | 0.00 | 15,998.40 | | 15,998.40 | FA |
| 11 | Decommissioning Funds Received from Third Parties for Estate Operations (u) | 0.00 | 9,696,891.87 | | 9,696,891.87 | FA |
| 12 | Chapter 11 Debtor's Attorney's Retainer (u) **Listed as \$129,000 on Rule 1019 Report DN 92. Per DN 262 \$53,110 to be returned to estate. | 0.00 | 53,110.00 | | 53,110.00 | FA |
| 13 | No Claims Bonus from Insurance Policy No. JCOW101264 (u) | 0.00 | 14,347.80 | | 14,347.80 | FA |
| 14 | Royalty Payments related to Asset No. 5 (u) | 0.00 | 1.00 | | 6,993.49 | FA |
| 15 | INTEREST (u) | Unknown | N/A | | 5,360.22 | FA |
| TOTALS (Excluding Unknown Values) | | \$4,218,777.14 | \$10,278,125.07 | | \$10,301,973.58 | \$3.00 |

Major activities affecting case closing:
 STATUS AS OF 09/30/2022:

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Adversary Proceeding No. 21-03078 Update: Trial Docket Call set for 02/20/2023 [AP DN 77].

Asset No. 5: **UPDATE** Kansas Mineral Interests sold for \$11,500.00 per DN 427.

STATUS AS OF 04/30/2022:

Adversary Proceeding No. 21-03078 Update: Trial Docket Call set for 09/12/2022 [AP DN 15]. Three applications to employ experts pending [DN 401, 402, 403].

Asset No. 8: **UPDATE** Funds delivered to Trustee 11/18/2021 per [DN 347].

Asset No. 11: **UPDATE** All decommissioning reconciliations complete and final per DN 381.

STATUS AS OF 09/30/2021:

Trustee completed decommissioning field operations at the end of Q3 2021 and is working with counsel to finalize and pay decommissioning related costs. Trustee received Court approval to engage Lynn Pinker Hurst & Schwegmann as special litigation counsel to pursue potential Chapter 5 causes of action [DN 349]. On 10/25/2021 special counsel filed Adversary Proceeding No. 21-03078 against Dolphin Direct Equity Partners, L.P., Dolphin Advisors, LLC, Tengasco, Inc and Peter E. Salas to pursue Chapter 5 causes of action on behalf of the estate.

Asset No. 5: **UPDATE** Kansas Royalty Interests to be marketed and sold pending result of Chapter 5 litigation. Value listed at 1.00 per UST handbook guidelines which require a whole number estimate, but valuation is an estimate to serve as a placeholder per UST guidelines and is not meant to reflect reality or limit demands or litigation in progress.

Asset No. 6: **UPDATE** Settled and claims released per Stipulation [DN 248].

Asset No. 8: **UPDATE** Trustee's Motion for Turnover of Apache Escrow [DN 347] entered 09/24/2021. Trustee working with escrow agent for delivery of funds to estate. Trustee changed value to "unknown" because the final amount will be determined at moment funds are disbursed to the estate.

Asset No. 11: **UPDATE** Decommissioning field operations are complete. Trustee is in the process of determining status of refunds to working interest owners. Trustee changed value to "unknown" because Trustee is in the process of determining refunds.

Asset No. 13: No claims bonus received for JCOW101264

Asset No. 14: Royalty Payments collected that are related to Asset No. 5.

STATUS AS OF 07/12/2021:

Trustee obtained an extension on operating authority through 01/19/2022 per DN 287. Trustee anticipates that the decommissioning of the leases will continue through Q3 2021, weather permitting. The Trustee is currently investigating potential Chapter 5 causes of action. The Trustee will also begin marketing Asset No. 5 - the Kansas Royalty Interests.

STATUS AS OF 01/11/2021:

On 10/26/2019 Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, in the U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division. On February 12, 2020 the case was converted to a case under Chapter 7.

Per the Order Granting Trustee's Motion for Continued Authority to Operate Business of Debtor [DN 199] and the Stipulation and Agreed Order [DN 248] the Trustee is operating the Debtor for the purpose of decommissioning five leases in the Gulf of Mexico.

Asset No. 1: Post-petition DIP account balance deposited into estate account on 03/04/2020.

Asset No. 3: Relates to dispute over JIBs. Subject to pending lawsuit regarding JIBs and lease ownership. Potential recovery is unknown at this time. Related to Asset No. 4, 6, and 7.

Asset No. 4: Relates to dispute over JIBs. Subject to pending lawsuit regarding JIBs and lease ownership. Potential recovery is unknown at this time. Related to Asset No. 3, 6, and 7.

Asset No. 5: Various Kansas Royalty Interests to be marketed and sold. Currently collecting royalties. This asset category also includes the mineral leases being decommissioned and are further explained in Asset No. 11.

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Asset No. 6: Subject to pending lawsuit regarding JIBs and lease ownership. Potential recovery is unknown at this time. Related to Asset No. 3, 4, and 7.

Asset No. 7: Subject to pending lawsuit regarding JIBs and lease ownership. Potential recovery is unknown at this time. Related to Asset No. 3, 4, and 6.

Asset No. 8: Turnover of funds pending. Funds to be used along with Asset No. 11 funds for purpose of decommissioning Gulf of Mexico leases.

Asset No. 9: Funds held by Lexon Surety Group for Debtor per Collateral Security Agreement dated 09/21/2017. Funds were withdrawn and paid to the Estate as part of the decommissioning funds - see Asset No. 11.

Asset No. 10: Per DN 192 Order Directing Mediation, the parties to the mediation paid the mediation fees to the estate for the Trustee to collect and pay the mediation fees to the mediator.

Asset No. 11: Debtor has interests in 5 leases in the Gulf of Mexico. Third Party payments are for the decommissioning of said leases.

Asset No. 12: Debtor's Chapter 11 Attorney was required to turnover a portion of their retainer to the estate in the amount of \$53,110 per DN 262.

Asset No. 13: Interest from money market account holding majority of estate funds.

Professionals: Order granting employment of Cavazos Hendricks Poirot, P.C. [DN 114] entered on 03/31/2020. Order granting employment of Lain, Faulkner & Co., P.C. as Accountants [DN 143] entered on 05/04/2020. Order granting employment of Petrostream, L.P. as Consultants [179] entered 06/19/20. Order granting employment of Holman Fenwick Willan USA LLP as Special Counsel [DN 222] entered on 08/05/2020.

Trustee anticipates that the decommissioning of the leases will continue through Q3 2021, weather permitting.

STATUS AS OF 03/13/2021 (NO TIR FILED YET):

On 10/26/2019 Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code, in the U.S. Bankruptcy Court for the Northern District of Texas, Dallas Division. On February 12, 2020 the case was converted to a case under Chapter 7.

Per the Order Granting Trustee's Motion for Continued Authority to Operate Business of Debtor [DN 199] and the Stipulation and Agreed Order [DN 248] the Trustee is operating the Debtor for the purpose of decommissioning five leases in the Gulf of Mexico.

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Asset No. 13: Insurance refund related to policy procured pre-petition. Funds were returned to agent and agent was requested to turnover the funds per DN 289. No order entered on DN 289 because agent returned funds prior to hearing.

Asset No. 14: Interest from money market account holding majority of estate funds.

Professionals: Order granting employment of Cavazos Hendricks Poirot, P.C. [DN 114] entered on 03/31/2020. Order granting employment of Lain, Faulkner & Co., P.C. as Accountants [DN 143] entered on 05/04/2020. Order granting employment of Petrostream, L.P. as Consultants [179] entered 06/19/20. Order granting employment of Holman Fenwick Willan USA LLP as Special Counsel [DN 222] entered on 08/05/2020.

Trustee anticipates that the decommissioning of the leases will continue through Q3 2021, weather permitting.

Initial Projected Date of Final Report (TFR): December 31, 2023

October 31, 2022

Date

Current Projected Date of Final Report (TFR): December 31, 2023

/s/ Anne Elizabeth Burns

Anne Elizabeth Burns